



DEPARTMENT OF VETERANS AFFAIRS
Regional Office
1240 East Ninth Street
Cleveland OH 44199
Website: <http://www.vba.va.gov/cleveland-rlc.htm>

September 4, 2003

In Reply Refer To: 325/262
Information Letter 26-03-16

TO: All Ohio VA Property Management Sales Brokers

SUBJ: VA Property Management Changes

What is the purpose of this information letter?

The Department of Veterans Affairs (VA) has completed a lengthy study to determine whether to contract out our property management functions. This letter is to notify you that this study has been completed and that Ocwen Federal Bank, a private sector company, won the competition to determine the more cost effective method of managing and selling all VA acquired properties nationwide.

What are some of the things I can expect?

The Cleveland Regional Loan Center is preparing to transfer properties within our jurisdiction to Ocwen Federal Bank. Our final sales listing will be published October 3, 2003. No offers for Ohio properties will be received by VA after October 14, 2003. Our remaining sales listings will be published and will run through the following dates:

September 5 -15, 2003

September 19 - 29, 2003

October 3 - 14, 2003

VA's acceptance of any offers received on these listings is contingent upon the closing of the sale occurring no later than December 17, 2003. If your purchasers can not positively absolutely close by December 17, 2003, please strongly discourage them from waisting their time, your time, and our time. All closing funds must be received by VA no later than January 2, 2004. Should the closing not occur or should the funds not be received by the stated dates, regardless of the reason, VA will cancel the contract and refund the earnest money deposit.

What do I need to do different right away?

Effective immediately, all offers to purchase submitted to VA must include an addendum acknowledging the closing restrictions above. This one page addendum is attached to this release. Further, at this time, all back up offers retained by this office have been canceled.

By January 2, 2004, we expect that the Cleveland RLC's transfer of the Ohio Property Management function to Ocwen Federal Bank will be complete. The current VA Property Management staff will be assigned new positions and responsibilities. Management Brokers and all participating subcontractors must submit all invoices by February 16, 2004, to avoid substantial delays in receiving compensation.

What else is VA going to do?

As we transition to Ocwen, we will try to answer your questions and provide you with as much information as we have. VA has already provided a listing of current management brokers and sales brokers to Ocwen. Ocwen will contact you (or may have contacted you already) concerning future plans.

Should I contact Ocwen?

Of course, Ocwen will not manage and sell property in exactly the same way VA did, but they will list properties with a sales broker. Ocwen has an on-line application process located at www.Ocwen.com and a toll free number 1-800-523-9479 for Ocwen Jobs. Interested sales brokers can use the on-line application or call the toll free number to request information on applying to be approved as a listing broker with Ocwen.

Whom can I contact for more information?

There are many local details that are pending finalization right now. Still, if you have questions regarding this transition, please contact any of the PM staff here in Cleveland at 1-800-729-5772.

/s/

JAMES L. BRUBAKER, JR.
Loan Guaranty Officer

**ADDENDUM TO
OFFER TO PURCHASE AND CONTRACT OF SALE
(VA FORM 26-6705)**

*This addendum must accompany all offers to purchase properties
submitted to VA effective with the September 5, 2003 Sales Listing*

1) Name of Purchaser(s):

2) Address of Property to be Purchased:

3) Property Management Loan Number:

The OFFER TO PURCHASE AND CONTRACT OF SALE submitted to the VA by the above-named purchaser(s) with respect to the property identified above is hereby amended to incorporate the following additional item:

Purchaser(s) acknowledge(s) and agree(s) that if this offer is accepted by VA, the acceptance will be contingent upon the closing of the sale occurring no later than 4:30 PM local time on the 17th day of December, 2003. In the event the closing does not occur by such time, regardless of the reason, VA may, at its sole option, cancel this contract without penalty. If VA cancels the contract pursuant to this paragraph, VA will refund the earnest money deposit to the Purchaser(s), and Purchaser(s) and the Sales Broker release VA from any and all other claims arising from this transaction.

Purchaser(s)

Sales Broker

Date: _____, 2003

Date: _____, 2003